

SAMPLE PMP PREPARATORY QUESTIONS AND ANSWERS

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1. **Regarding management and leadership all of the following are true except**
- A. On a project, particularly a larger project, the **project manager** is generally expected to be the project's leader as well.
 - B. Technical leadership is of primary importance in project management
 - C. Managing is primarily concerned with consistently producing key results expected by stakeholders
 - D. Leading involves establishing direction, aligning people, motivating and inspiring

Answer: B

2. A company has to make a choice between two projects, because the available resources in money and kind are not sufficient to run both at the same time. Each project would take 9 months and would cost \$250,000.
- The first project is a process optimization which would result in a cost reduction of \$120,000 per year. This benefit would be achieved immediately after the end of the project.
 - The second project would be the **development** of a new product which could produce the following net profits after the end of the project:

1	year:	\$ 15,000
2	year:	\$ 125,000
3	year:	\$ 220,000

- Assumed is a discount rate of 5 % per year. Looking at the present values of these projects' revenues in the first 3 years, what is true?
 - A. Both projects are equally attractive.
 - B. The first project is more attractive by app.7%.
 - C. The second project is more attractive by app.5%.
 - D. The first project is more attractive by app.3%.

Answer: D

3. A production process has been defined as part of an industrial equipment manufacturing project. The process is intended to produce steel bolts with a length of 20 cm. The acceptable control limits are 19.955 cm and 20.045 cm.

The measurements made at the end of the process yielded the following results:

20.033 cm, 19.982 cm, 19.995 cm, 20.006 cm, 19.970 cm, 19.968 cm, 19.963 cm, 19.958 cm, 19.962 cm, 19.979 cm, 19.959 cm.

What should be done?

- A. The process is under control. It should not be adjusted.
- B. The process should be adjusted.
- C. The control limits should be adjusted.
- D. The measuring equipment should be recalibrated.

Answer: B

4. What are the 4 stages of team development?

- A. Forming, Storming, Norming, Performing.
- B. Enthusiasm, Hope, Panic, Solution.
- C. Assignment, Kickoff, Training, Communicating.
- D. Direction, Motivation, Cooperation, [Collaboration](#).

Answer: A

5. During a software project Earned Value Analysis is performed and gives the following results:

EV: 523,000;

PV: 623,000;

AC: 643,000.

Which results are correct?

- A. CV: +120,000; SV: +100,000.
- B. CV: +100,000; SV: +120,000.
- C. CV: -100,000; SV: -120,000
- D. CV: -120,000; SV: -100,000.

Answer: D

6. Which of the following is not normally an element of the Project Charter?

- A. The formal authorization to apply organizational resources to project activities.
- B. Work package descriptions.
- C. The business need that the project was undertaken to address.
- D. The product description or a reference to this document

Answer: B

7. Which process is applied to break down the project into smaller, more manageable elements?

- A. Scope Planning.
- B. Activity Duration Estimating.
- C. Scope Definition.
- D. Scope Verification.

Answer: C

8. **Which of the following Tools and Techniques are part of Risk Management Planning?**

- A. Risk planning meetings.
- B. Documentation reviews.
- C. Data precision rankings.
- D. Diagramming techniques.

Answer: A

9. **All of the following statements concerning project stakeholders are true except**

- A. Differences between or among stakeholders should be resolved in favor of the customer.
- B. Managing stakeholder expectations may be difficult because stakeholders often have very different objectives, that may come into conflict.
- C. Project stakeholders may influence the **course** of the project and its results.
- D. Differences between or among stakeholders should be resolved in the most cost efficient manner consistent with project objectives.

Answer: D

10. **Which of the following is the output of Source Selection?**

- A. Proposals.
- B. Evaluation criteria.
- C. Contract negotiation.
- D. Contract.

Answer: D

11. Which of the following statements is not true?

- A. Standards and regulations are mandatory.
- B. According to ISO, standards are not mandatory, but regulations are.
- C. Standards often begin as guidelines that are not mandatory. With later widespread adoption, they can become de facto regulations.
- D. Standards and regulations are socio-**economic** influences to a project.

Answer: A

12. Which type of **leadership** is best suited for optimizing team performance in projects?

- A. Democratic leadership.
- B. Participative leadership.
- C. Autocratic leadership.
- D. Benevolent authoritative leadership

Answer: B

13. Where is the result node (outcome) shown on a typical Ishikawa or Fishbone diagram?

- A. Top.
- B. Bottom.
- C. Right hand side.
- D. Center.

Answer: C

14. A project management team has subcontracted work to a service company. The process of ensuring that this service company's performance meets contractual requirements is called

- A. Contract Administration.
- B. Staff Acquisition.
- C. Contract Closeout.
- D. Contract Negotiation

Answer: A

15. What are workarounds in project management?

- A. Workarounds are essentially the same as rework.
- B. Workarounds are alternative strategies.
- C. Workarounds are unplanned responses to emerging risks that were previously unidentified or accepted.
- D. Workarounds are activities performed according to applicable contingency plans

Answer: C

16. What are faits accomplis?

- A. A French dinner after a kick-off meeting.
- B. Unachievable deliverables.
- C. Accomplished objectives.
- D. Decisions made earlier which limit the options for decision making.

Answer: d

17. During execution of a project which is performed for a customer on a T&M (Time and Material) contract base a new **project manager** is taking over the assignment.

He discovers that two members assigned to the project have charged time without performing any work. Upon further investigation, he determines that this occurred because there were no other project assignments available for these people. The customer is unaware of these facts.

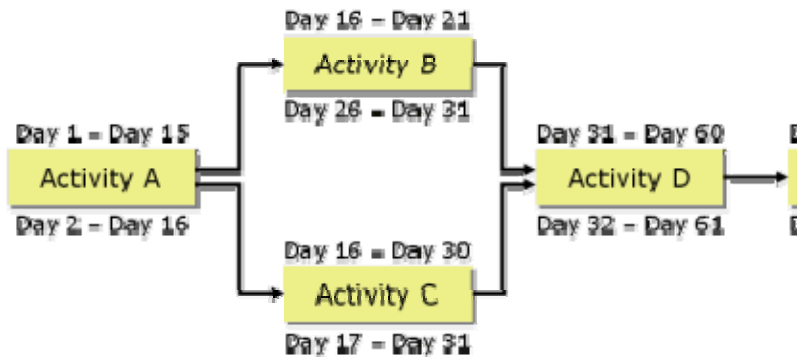
What should the project manager do?

- A. Try to find some productive work for these staff members in the project and leave them on the team.
- B. The best thing is to do nothing. The customer will not realize the problem anyway.
- C. Try to find a responsible person for the over-assignment who can be made accountable.
- D. Take the two people off the team immediately and arrange for the refund of the excess charges to the customer .

Answer: d

18. In the following **network** logic diagram start dates are defined as early morning, finish dates are evening.

If tasks are scheduled to begin at early start date, what is true?



- A. Activity B has a free float of 10 d.
- B. Activity B has a total float of 10 d.
- C. Activity A has a free float of 10 d.
- D. Activity A has a total float of 10 d.

Answer: B

19. Which of the following is not considered to be part of Project Resource Management?

- A. Working staff.
- B. Materials.
- C. Equipment.
- D. Time and money.

Answer: D

20. **Tools and Techniques of Risk Response Planning include**
- A. Identifying, quantitative and qualitative analysis, monitoring and control.
 - B. Avoidance, transference, mitigation, acceptance.
 - C. Identification, assessment of magnitude and probability, assessment of costs of response .
 - D. Risk management reviews

Answer: B

21. **A project manager performs Earned Value Analysis and finds the following values:**

EV: 100,000; PV: 125,000; AC: 100,000

- A. The project is on schedule but costs exceed budget.
- B. The project is on schedule and on budget.
- C. The project is behind schedule but on budget.
- D. Then project is behind schedule and costs exceed budget.

Answer: C

22. **What are "Global Literacies"?**

- A. The ability to read reports written in many different languages.
- B. The ability to succeed in a cross cultural environment.
- C. The ability to develop internationally accepted contracts.
- D. The ability to communicate using drawings and pictograms which are understood all over the world

Answer: B

23. **During a project the scope of product purchased on a cost reimbursable contract has increased. In the contract the contractor's indirect costs are calculated as 20 % of the direct costs. What is most likely to be true?**

- A. The contractor's indirect costs will increase and the customer's payment for them will increase, too.
- B. The contractor's indirect costs will increase but the customer's payment for them not.
- C. Neither the indirect costs nor the customer's payment for indirect costs will increase.
- D. The contractor's indirect costs will not increase but the customer's payment for them will.

Answer: D

24. **A project management team is evaluating the causes that might contribute to unsatisfactory performance and quality. Which of the following statements is not true?**

- A. Normal process variation is attributable to random causes.
- B. Special causes are easier to predict and handle than random causes.
- C. Special causes are unusual events.
- D. A process can be optimized to limit the **bandwidth** of variations due to random causes.

Answer: B

25. You are performing a project management **audit in your company and find that most of the project plans are neither consistent nor up-to-date.**

Which of the following statements is not true?

- A. Projects should never be executed without a valid, updated and working project plan.
- B. The project plan is secondary because it is only the results that matter.
- C. A great deal of effort is required to develop and update a project plan, but the benefits include less pressure on all stakeholders and a resulting product that will satisfy the requirements.
- D. Poor planning is one of the major reasons for cost and time overruns.

Answer: B

26. What is active risk acceptance?

- A. Creating contingency reserves in money and time.
- B. Developing a plan to minimize potential impact.
- C. Developing a plan to minimize probability.
- D. Making additional resources available

Answer: A

27. Project costs are over budget when

- A. $CPI > 1$.
- B. $CPI < 1$.
- C. $CPI < 0$.
- D. $SPI = 1$.

Answer: B

28. Which of the following statements is not true?

- A. Only those who realize that cultural differences are a resource to be fully utilized will survive.
- B. There is a common ground for people from different cultures on which they can interact without unsolvable conflicts.
- C. Cultural differences will always be an obstacle to be overcome.
- D. Culture is a critical lever for competitive advantage.

Answer: C

29. What is a quality audit?

- A. A team meeting dedicated to measuring and examinations.
- B. A quality based inspection of work results.
- C. A structured review of quality management activities.
- D. A meeting with the customer to identify quality requirements.

Answer: C

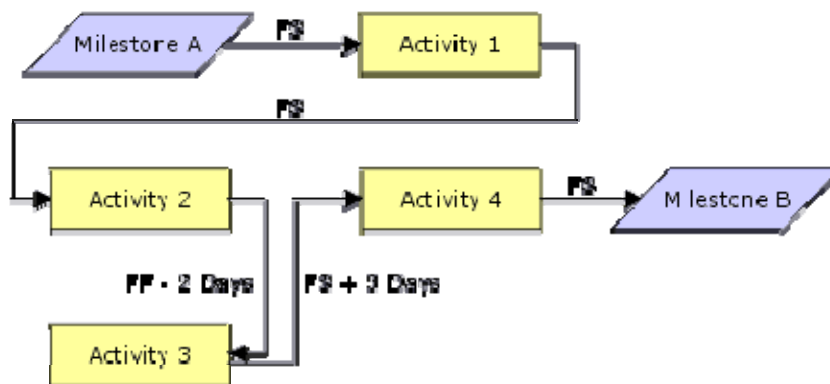
30. You are assigned as the project manager in a project with an aggressive schedule. During a recent meeting your team complained about the high pressure applied and the many hours of overwork time.

What is the preferred solution to handle the problem?

- A. Try to obtain additional budget and time.
- B. Improve team communication and availability of high quality data on risks. Use this information to enable you to make well-founded decisions earlier.
- C. The problem might be the customer disturbing project rhythm. Keep him on distance from the team.
- D. Apply fast tracking to shorten project duration without additional work.

Answer: A

31. Activity 1 has a duration of 20 days, Activity 2 of 10 days, Activity 3 of 5 days and Activity 4 of 6 days. What is the minimum total duration between the Milestones A and B?



- A. 36 days
- B. 37 days
- C. 39 days
- D. 42 days

Answer: B

- 32. Which of the following statements is true concerning Scope Definition?**
- A. The Activity List is a principle output used for **resource allocation** and is an input to network diagramming.
 - B. The Scope Statement is a principle output containing a narrative description of project work and deliverables.
 - C. The Project Charter is a principle output and authorizes the project.
 - D. The Work Breakdown Structure is a principle output and should be broken down to a level which allows sufficient accuracy in planning.

Answer: D

- 33. All the following statements regarding "whistleblowing" are true except**
- A. It is the term used to define an employee's decision to disclose information on unethical, immoral or illegal actions at work to an authority figure.
 - B. An employee should always discuss the matter with people external to the company before following the "chain of command" and discuss it with the immediate superior.
 - C. The consequences of whistleblowing are often extreme and include possible being branded as having bad judgment, firing, civil action and imprisonment.
 - D. Carefully considered whistleblowing can lead to the end of unethical business practices.

Answer: B

- 34. Which of the following statements is not true?**
- A. Attribute sampling is the process of assessing whether results conform to specifications or not.
 - B. Prevention means keeping errors out of the process
 - C. Variables sampling means that the result is classified into one of the 3 categories: "acceptable" - "acceptable after rework" - "rejected".
 - D. Inspection means keeping errors out of the hands of the customer.

Answer: C

- 35. Why should assumptions be documented?**
- A. Assumptions might prove to be wrong. Knowing which assumptions were incorrect allows baseline adjustments in case of project crisis.
 - B. Assumption analysis is a valuable tool and technique of Risk Identification.
 - C. Assumptions limit the project **management team's** options for decision making.
 - D. In case of schedule or budget overruns, the **documentation** of assumptions supports a clear assignment of responsibility.

Answer: B

- 36. All the following statements are true except**

- A. It is axiomatic of the **quality management** discipline that the benefits outweigh the costs.
- B. Quality should be tested and inspected into work results on a regular base.
- C. The primary cost of **meeting** quality requirements is the expense associated with **project quality management** activities.
- D. The primary benefit of meeting quality requirements is less rework, which means higher productivity, lower costs, and increased stakeholder satisfaction.

Answer: B

37. Which of the following statements about diagramming methods is not

- A. PDM is the same as AON.
- B. ADM is the same as AOA.
- C. GERT is the same as System Dynamics Model.
- D. GERT and System Dynamic Model are examples of conditional diagramming methods

Answer: C

38. A project is managed by a project coordinator. Which of the following statements is most likely to be true?

- A. The performing organization is a weak matrix.
- B. The performing organization is doing "management by projects".
- C. The performing organization is a strong matrix.
- D. The performing organization is projectized.

Answer: A

39. Which of the following statements concerning cross-cultural differences is true?

- A. There is no one "best way" for project organization.
- B. Some cultures have values, some not.
- C. Cultural dilemmas should be denied to not allow them to disrupt project work.
- D. Communicating across cultures should only be done using language. The nonverbal dimension bears too many risks.

Answer: A

40. What are dummy activities?

- A. Activities in PDM which are not necessary and can be dropped if time is running out.
- B. Arrows in ADM which represent dependencies between nodes without real activities.
- C. Activities, which can be passed to the team members with the lowest IQ.
- D. Activities in PDM which are not performed by team members.

Answer: B

41. Which of the following are not cost of quality?

- A. Prevention costs.
- B. Failure costs.
- C. Transportation costs.
- D. Appraisal costs.

Answer: c

42. What is a trigger in project risk management?

- A. An expected situation causing an unidentified risk event to occur.
- B. A warning sign that an identified risk event might have occurred.
- C. An unexpected situation causing an identified risk event to occur.
- D. An unexpected situation causing an unidentified risk event to occur.

Answer: b

43. According to the project plan, a contractor is scheduled to deliver some software components at the end of the day. A regular payment is due to be made to this contractor tomorrow.

The project team received a note this morning informing them that the software delivery will be delayed by 2 weeks.

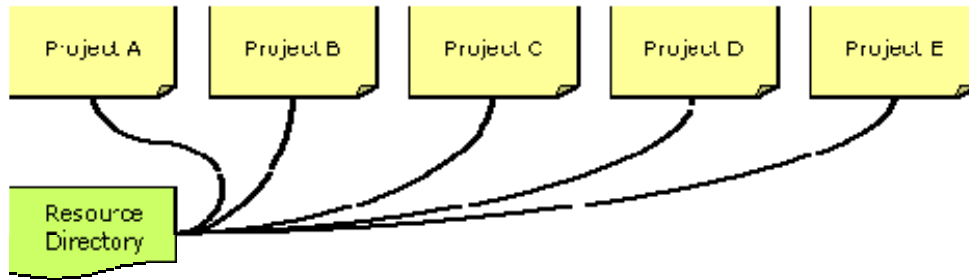
This morning, the project team received a note that the software will be delayed by 2 weeks.

How should the project management team react?

- A. The project management team should delay payment for 2 weeks.
- B. The project management team must immediately find a different contractor.
- C. The project management team should conduct a meeting with the contractor to resolve the delivery issues before making the payment.
- D. The project management team should make the payment and reschedule the project plan.

Answer: C

44. In a software company a large number of simultaneously performed projects utilize the same groups of human and other resources.



What is the term commonly used for this situation?

- A. Concurrent engineering.
- B. Resource over-allocation.
- C. Resource pooling.
- D. Program management

Answer: c

45. What does the acronym **RAM commonly stand for in project management?**

- A. Responsibility Assignment Matrix.
- B. Remotely Applied Measurements.
- C. Risk Aware Management.
- D. Randomly Accessible Material.

Answer: A

46. What is not handled as a constraint in project management?

- A. Laws and regulations.
- B. Limits of authorization.
- C. Team preferences.
- D. Physical constraints.

Answer: C

47. A precontract agreement that establishes the intent of a party to buy products or services is called a

- A. Seller initial response.
- B. Seller immediate response.
- C. Letter of intent.
- D. Letter of credit.

Answer: C

48. What should not be part of a **risk management plan?**

- A. Roles and responsibilities for handling risks.
- B. Timing of risk management activities.
- C. The managerial approach towards risk.
- D. Individual risks

Answer: D

49. A **project manager** performs Earned Value Analysis and finds the following results:

EV: 250,000; PV: 200,000; AC 275,000

BAC is 500,000.

What is right?

- A. EAC = 400,000
- B. EAC = 550,000
- C. BTC = 400,000
- D. ETC = 75,000.

Answer: B

50. **The construction of a residential home will cost a certain amount per square foot of living space. This is an example of what type of estimating?**

- A. Analogous estimating.
- B. Bottom-up estimating.
- C. Top-down estimating.
- D. Parametric modeling.

Answer: D

51. **Which of the following should not be reason for “rebaselining” in a project?**

- A. Scope changes.
- B. Cost variances.
- C. Major schedule changes.
- D. New information indicating that the basis for the original project cost estimates was incorrec

Answer: B

52. **When a change control system’s provision for changes without formal review in case of emergency is being utilized**

- A. Changes can be simply applied without further managerial activities if they help solving the problem.
- B. Changes must still be documented and captured so that they do not cause problems later in the project.
- C. A new change control board (CCB) should be established.
- D. The project baseline must be changed as well.

Answer: B

53. Which of the following is generally not regarded to be a motivator according to Frederick Herzberg?

- A. Working conditions and interpersonal relations.
- B. Responsibility for enlarged task.
- C. Interest in the task.
- D. Recognition for achievement.

Answer: A

54. Companies and institutions commonly hire leaders with

- A. A strong position in negotiating.
- B. Experience in tricking business partners.
- C. Integrity and expertise.
- D. A strong link to local traditions.

Answer: C

55. You are the **project manager and have contracted with a service provider to develop a complicated **software solution**. This software is necessary to control the machinery equipment which your project team will develop. It is a lump-sum contract with additional incentives for **meeting** predefined schedule targets. The payment schedule and incentives are as follows:**

- 10% with order
- 20% after submission of prototype (+ 5% if delivered one week early)
- 50% after product delivery (+ 5 % if delivered one week early)
- 20% after final product acceptance (+ 5 % if delivered one week early)

Yesterday the company submitted the prototype to your project team. This was 2 weeks after the scheduled delivery date and 3 weeks after the date necessary to qualify for the incentive payment.

This morning, the manager of the contractor approached you to ask for changes to the payment schedule. They found that their initial work and costs were much higher than originally expected and they now wish to increase the second payment to 30% and reduce the final payment to 10%.

During the discussion you got the impression that the company is in serious financial trouble.

Which of the following might be the most appropriate initial step?

- E. Offer to pay 25% now and to reduce the final payment down to 15%.
- F. Point out that the contractor is not in a position to demand a change to the contract.
- G. Demand an urgent meeting with the seller.

- H. Revisit the planning processes of **project risk management** to understand the upcoming risks in conjunction with the seller before any further decisions are made.

Answer: D

56. **A review of management processes and the associated documentation is commonly called**
- . Audit.
 - A. Inspection.
 - B. Testing and measuring.
 - C. Screening.

Answer: A

57. **Which of the following is true in regard to the Code of Accounts?**
- . It allows one to easily identify the breakdown level of the item in the resource structure.
 - A. It describes the coding structure used by the performing organization to report **financial information** in its general ledger.
 - B. It is the collection of unique identifiers generally assigned to WBS items.
 - C. It defines ethical behavior in the project and the responsibilities to the customer and the profession.

Answer: C

58. **You are a member of your company's project office. The company is running many concurrent projects; most of them share a resource pool. Understanding how resources are utilized across projects is seen as being essential to cost effectiveness and profitability.**

You recently received an inquiry to assess the benefits of using **project management software to manage the company's project portfolio.**

Which of the following is true?

- . Project management software has the capability to help organize resource pools.
- A. Project management software will dramatically simplify the task of leveling resources across projects with different project management teams.
- B. Supporting **project portfolio management** is not the project office's business.
- C. Evaluating project management software is not the project office's business.

Answer: A

59. **What are SMART objectives?**

- . Objectives specified with far more detail than necessary for a successful project.
- A. Easily achievable objectives.
- B. Objectives that should be achieved in order to attain formal recognition.
- C. Objectives that have specific, measurable, assignable, realistic and time-related specifications.

Answer: D

60. You have been assigned to a new project and have finished the scope statement. You and your team are now going to create a Work Breakdown Structure. You are spending a lot of time discussing how to create a completely decomposed Work Breakdown Structure.

Which of the following is not relevant to this discussion?

- . Status/completion is measurable.
- A. Time/cost is easily estimated.
- B. Start/end events are clearly defined.
- C. Resource availability can be reliably foreseen.

Answer: D

61. A project manager performs Earned Value Analysis and finds the following results:

AC: 220,000, PV: 250,000, EV: 220,000.

- A. $CV = 0$.
- B. $CV = 30,000$.
- C. $CV = -30,000$.
- D. $CV = 1$

Answer: A

62. During a company event, you had the opportunity to talk to a colleague project manager. He told you that in his current project actual costs are 15% under cumulated costs scheduled for today.

What do you think?

- A. The information available is not sufficient to assess project performance.
- B. The project will probably be completed with total costs remaining under budget.
- C. A significant cost increase during the further course of the project will probably bring the costs back to baseline level.

D. Original cost planning must have been poor to allow this variance.

Answer: A

63. Which is true regarding projects?

- A. A project is a unique service undertaken to create a temporary product.
- B. A project is a unique endeavor undertaken to create a temporary service.
- C. A project is a temporary endeavor undertaken to create a unique product or service.
- D. A project is a temporary product undertaken to create a unique endeavor or service

Answer: C

64. Which of the following statements describes the relationship between project phases and the project life cycle?

- A. The project lifecycle contains the iterative incremental elements inside a project phase.
- B. Collectively, the project phases are known as the project life cycle.
- C. The project lifecycle is regarded as a sequence of project activities while phases are defined to control the overlapping of activities.
- D. The project lifecycle contains the repetitive elements inside a project phase

Answer: B

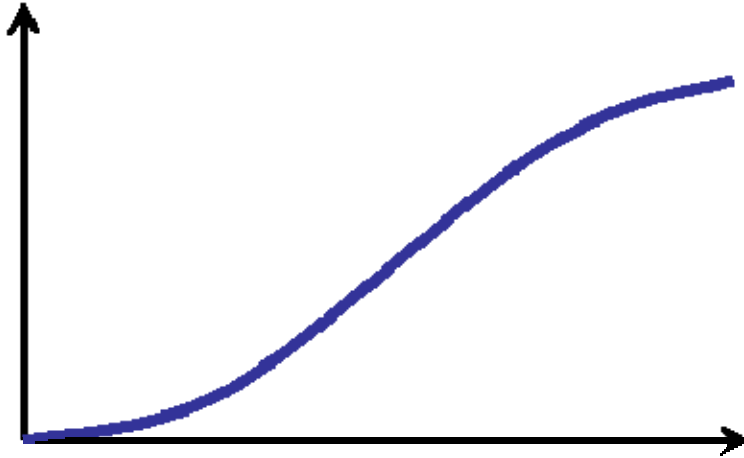
65. A project management team discusses what scope means in a project.

All of the following statements are true except

- A. The processes, tools, and techniques used by project scope management are mostly depending on the application area.
- B. Product scope includes features and functions that are to be included in a product or service.
- C. Project scope includes the work that must be done in order to deliver a product with the specified features and functions.
- D. Project Scope Management includes the processes required to ensure that the project includes all the work required and only the work required.

Answer: A

66. What is the S-curve in project management?



- A. A graph that is generated if a normal curve is integrated.
- B. A graph that is to be integrated to generate a normal curve.
- C. A metaphoric description of the short term uncertainties that are present in every project.
- D. The graph that describes the typical growth of earned value during the course of the project.

Answer: D

67. The output of the resource planning process is a document "resource requirements". This a description of what types of resources are required in what quantities...

- A. where the term resources is limited to equipment and materials.
- B. for each element at the lowest level of the work breakdown structure.
- C. where the term resources is limited to human resources.
- D. to be obtained solely from the performing organization.

Answer: B

68. The major output document of Scope definition is the.

- A. Hierarchically structured WBS.
- B. Flat Activity List.
- C. Narrative Scope Statement.
- D. The Project Charter for the project manager

Answer: A

69. In regards of a cost baseline all of the following is true except

- A. It is a time-phased budget that will be used to measure and monitor cost performance on the project.
- B. It can be easily created and updated as necessary.
- C. It is developed by summing estimated costs by period.
- D. It is usually displayed in the form of an S-curve.

Answer: B

70. Which is not true in regard of RoI (Return on Investment)?

- A. It defines the cumulated net income from an investment at a given point in time or during a defined period.
- B. It includes investment, direct and indirect costs and may include allowances for capital cost, depreciation, risk of loss, and/or inflation.
- C. It is generally stated in currency units, as a percentage or as an index figure.
- D. It is the time when cumulated net income is equal to the investment.

Answer: D

71. Regarding Delphi Technique all of the following statements are true except

- A. It is a way to reach a consensus of experts.
- B. Experts are identified but participate anonymously while a facilitator uses a questionnaire to solicit ideas.
- C. The experts are encouraged by the facilitator to make direct contact with each other during the assessment process to create a higher number of feedback loops.
- D. The responses are submitted and are then circulated to the experts for further comment.

Answer: C

72. Regarding quality and grade all of the following statements are true except

- A. Low quality is always a problem; low grade may not be. Grade is a category or rank given to entities having the same functional use but different requirements for quality. Quality is the totality of characteristics of an entity that bear on its ability to satisfy stated or implied needs. Quality can simply be improved through intelligent testing and examining, upgrading requires additional expenses.

Answer: D

73. Network templates which contain only portions of a network are often referred to as

- A. Subnets or fragnets
- B. Subprojects
- C. Programs
- D. WBS items

Answer: B

74. In making an investment in a project, investors require compensation for which of the following?

- A. The risk-free rate of return plus a risk premium plus a premium for inflation.

- B. Sacrifice of immediate use of **cash** for consumption or other investments, possibility of inflation and risk.
- C. Payback period in years x **investment** x (1 + discount rate) periods.
- D. Inflation and depreciation.

Answer: B

75. **A summary activity in a network logic diagram is often referred to as a**
- A. Hammock.
 - B. Dangler.
 - C. Milestone.
 - D. Subtask.

Answer: A

76. **When a project phase is finished, this is also known as a ____.**
- A. Kill point
 - B. Milestone
 - C. Scope creep
 - D. Quality metrics

Answer: A

77. **Ongoing project planning is also known as _____.**
- A. Rolling wave planning
 - B. Buildup planning
 - C. Activity planning
 - D. Project processes

Answer: A

78. **A _____ looks at determining if the project idea is a realistic project.**
- A. Case project study
 - B. Feasibility study
 - C. Matrix study
 - D. Demand study

Answer: B

79. **You are the **project manager** for a seminar and training session that approximately 2,000-2500 employees will be attending. You have rented a hall for the seminar; however, you are unsure exactly how many people will attend. Moreover, the number of tables required will change depending on attendance. The cost of the furniture should be considered?**
- A. Variable cost
 - B. Direct cost
 - C. Fixed cost
 - D. Transient cost

Answer: A

80. Which of the following is the correct formula for calculating present value of a business or organization?

Note: R = Interest rate, n = time periods

- A. Present Value = Future Value/(1+R)ⁿ
- B. Present Value = Future Value/(1-R)ⁿ
- C. Present Value = (1+R)ⁿ
- D. Present Value = (1-R)ⁿ / Future Value

Answer: A

81. A narrative description of products or services to be supplied under contract is called:

- A. the project plan.
- B. a statement of work.
- C. an exception report.
- D. Pareto analysis.

Answer: B

82. An example of scope verification is:

- A. reviewing the performance of an installed software module.
- B. managing changes to the project schedule.
- C. decomposing the WBS to a work package level.
- D. performing a benefit/cost analysis to determine if we should proceed with the project.

Answer: A

83. Which of the following is not an example of a source of scope change?

- A. a variation in government regulations.
- B. failure to include a required feature in the design of a telecommunication system.
- C. a need to engage in bottom-up cost estimating.
- D. introducing technology that was not available when scope was originally defined.

Answer: C

84. The subdivision of major project deliverables, as identified in the scope statement, into smaller, more manageable components is called:

- A. parametric estimation.
- B. scope definition.
- C. feasibility analysis.
- D. benefit-cost analysis.

Answer: B

85. **The process of establishing clear and achievable objectives, measuring their achievement, and adjusting performance in accordance with the results of the measurement is called:**

- A. strategic planning.
- B. alternative objectives inventory.
- C. management by objectives.
- D. contingency planning.

Answer: C

86. **Configuration management is:**

- A. used to ensure that the description of the project product is correct and complete.
- B. the creation of the work breakdown structure.
- C. the set of procedures developed to assure that project design criteria are met.
- D. a mechanism to track budget and schedule variances.

Answer: A

87. **A fundamental tenet of modern quality management holds that quality is most likely to be achieved by:**

- A. planning it into the project.
- B. developing careful mechanisms to inspect for quality.
- C. striving to do the best job possible.
- D. conducting quality circle activities.

Answer: A

88. **Your most recent project status report contains the following information: BCWP = 3,000, ACWP = 3,500, and BCWS = 4,000. The schedule variance is:**

- A. + 1,000.
- B. + 500.
- C. - 500.
- D. - 1,000.

Answer: D

89. **Learning curve theory emphasizes that in producing many goods:**

- A. cost decreases as production rates increase.
- B. average unit cost decreases as more units are produced.
- C. materials become cheaper when they are purchased in bulk.
- D. laborers become more productive because of technological advances.

Answer: B

90. **Rearranging resources so that constant resource levels are maintained is called:**

- A. floating.
- B. leveling.
- C. restructuring.
- D. crashing.

Answer: B

91. The _____ is a time-phased budget that will be used to measure and **monitor cost performance in the project.**

- A. work breakdown structure
- B. project schedule
- C. cost baseline
- D. cost budget

Answer: C

92. To transfer most of the cost **risk** to the contractor, the client may use a _____ **contract.**

- A. cost plus award fee
- B. cost plus incentive fee
- C. cost plus fixed fee
- D. fixed price

Answer: D

93. **An appropriate sequence for risk management activities is:**

- A. risk identification, risk quantification, and risk response development and control.
- B. risk identification, risk assessment, and risk planning.
- C. risk identification, risk mitigation, and risk management.
- D. risk identification, risk elimination, and risk mitigation.

Answer: A

94. **Theory X holds that:**

- A. quality improvements lie in the hands of quality circles.
- B. profits are tied to meeting schedule deadlines.
- C. absenteeism is tied to poor working conditions.
- D. workers are inherently unmotivated and need strong guidance.

Answer: D

95. **All of the following are characteristics of parametric estimating except:**

- A. historical information.
- B. quantifiable.
- C. scalable.
- D. activity lists.

Answer: D

96. **Inputs to cost budgeting include all of the following except:**

- A. cost baseline
- B. cost estimate
- C. work breakdown structure
- D. project schedule

Answer: A

97. **Inputs used during scope planning include all of the following except:**

- A. constraints.
- B. project charter.
- C. budget/cost analysis.
- D. product description.

Answer: C

98. **Cost control outputs include all of the following except:**

- A. estimate at completion.
- B. budget updates.
- C. revised cost estimates.
- D. cost baseline.

Answer: D

99. **Risk identification outputs include the following except:**

- A. decision trees.
- B. inputs to other processes.
- C. risk symptoms.
- D. potential risk events.

Answer: A

100. **Inputs into overall change control include all of the following except:**

- A. project plan.
- B. change requests.
- C. change control system.
- D. performance reports

Answer: C

101. **Activity duration estimate inputs include all of the following except:**

- A. resource requirements.
- B. basis of estimates.
- C. activity lists.

D. constraints.

Answer: B

102. **All of the following are contract types except:**

- A. unit-price.
- B. make-or-buy.
- C. cost reimbursable.
- D. lump sum.

Answer: B

103. **Initiation inputs for a project include all of the following except:**

- A. product description.
- B. strategic plan.
- C. project charter.
- D. selection criteria.

Answer: C

104. **Responses to risk threats include all of the following except:**

- A. avoidance.
- B. acceptance.
- C. mitigation.
- D. rejection.

Answer: D

105. **The process of performance reporting includes all of the following except:**

- A. status reporting.
- B. progress reporting.
- C. forecasting.
- D. product analysis.

Answer: D

106. **Constrained optimization methods of project selection include:**

- A. scoring models.
- B. benefit-cost ratios.
- C. multi-objective programming algorithms.
- D. subjective analyses.

Answer: C

107. **Which of the following statements concerning contract type is correct?**

- A. a fixed price contract contains the most risk for the buyer.
- B. cost reimbursable contracts offer sellers the highest profit potential.

- C. lump sum contracts offer sellers the greatest profit potential.
- D. unit price contracts are illegal in many jurisdictions.

Answer: C

108. **A Work Breakdown Structure (WBS) numbering system should allow project staff to:**
- A. identify the level at which individual WBS elements are found.
 - B. identify **configuration management** milestones.
 - C. estimate the costs of WBS elements.
 - D. provide project justification.

Answer: A

109. **All of the following are true quality statements except:**
- A. Quality improvement depends upon better definition and increased awareness of the requirements/specifications.
 - B. Project quality management must address both management of the project and the product of the project.
 - C. Recognition of key actions required of each team member is necessary to meet quality objectives.
 - D. **Computer-aided design** systems can improve quality, but only at the expense of an increase in the cost of design.

Answer: D

110. **All of the following are examples of tools often used in cost estimating except:**
- A. parametric modeling.
 - B. analogous estimating.
 - C. bottom-up estimating.
 - D. activity duration estimates.

Answer: D

111. **At XYZ Inc., the hourly wage for semi-skilled workers is \$14.00. The annual **audit** shows that fringe benefits cost 30% of basic wages, and that overhead costs are 60% of wages plus fringe benefits. What is the "loaded" hourly wage for a semi-skilled worker at XYZ Inc.?**
- A. \$27.14.
 - B. \$28.96.
 - C. \$30.03.
 - D. \$29.12.

Answer: D

112. **Of the following estimates, which most accurately reflect the actual cost of the project?**
- A. conceptual estimates.
 - B. order of magnitude estimates.
 - C. preliminary estimates.
 - D. bottom-up estimates.

Answer: D

113. **The most crucial time for project risk assessment is:**
- A. when a problem surfaces.
 - B. during the planning phase.
 - C. during the close-out phase.
 - D. after the project schedule has been published.

Answer: B

114. **When there is uncertainty associated with one or more aspects of the project, one of the first steps to take is to:**
- A. revise project plan.
 - B. conduct a risk-benefit analysis.
 - C. conduct a needs analysis.
 - D. increase the estimated cost of the project.

Answer: B

115. **Including a contingency reserve in the project budget is intended to:**
- A. reduce the probability of scope changes.
 - B. increase the probability of scope changes.
 - C. reduce the probability of a cost overrun.
 - D. increase the probability of a cost overrun.

Answer: C

116. **Given the information in the following table, what is the expected value from this risk event? Probability Result**
- | | |
|-----------|----------------|
| .4 | -10,000 |
| .3 | -7,500 |
| .2 | -5,000 |
| .1 | +2,500 |
- A. -10,000.
 - B. -7,500.
 - C. +2,500.
 - D. -7,000.

Answer: D

117. **A contractor is working on a fixed price contract that calls for a single, lump sum payment upon satisfactory completion of the contract. About halfway through the contract, the contractor's project manager**

informs their contract administrator that **financial problems** are making it difficult for them to pay their employees and subcontractors. The contractor asks for a partial payment for work accomplished.

Which of the following actions by the buyer is most likely to cause problems for the project?

- A. starting partial payments for work accomplished.
- B. making no payments because it would violate the conditions of the contract.
- C. paying for work accomplished to date.
- D. negotiating a change to the payment conditions in the contract.

Answer: B

118. **A precise description of a physical item, procedure, or service for implementation of an item or service is called a:**

- A. work package.
- B. baseline.
- C. product description
- D. work breakdown structure (WBS) element.

Answer: C

119. **A project should be terminated for all of the following reasons except:**

- A. lack of team synergy.
- B. the project no longer meets the company's objectives.
- C. the resources are not available to complete project activities.
- D. project funding has been significantly reduced.

Answer: A

120. **One common way to compute estimated at completion (EAC) is to take the project budgeted-at-completion and:**

- A. divide it by the schedule performance index.
- B. multiply it by the schedule performance index.
- C. multiply it by the cost performance.
- D. divide it by the cost performance index.

Answer: D

121. **Which of the following is a tool used to secure expert judgment?**

- A. Peer review
- B. Delphi technique
- C. Expected value technique
- D. Work Breakdown Structure (WBS)

Answer: B

Explanation: The 'Delphi technique' is a commonly used tool to secure expert judgment while initiating a project.

'Peer review' is a project selection tool, 'Expected value' is a method quantitative risk analysis, and 'WBS' is a project-planning tool.

122. **Based on the information provided below, which project would you recommend pursuing?**

Project I, with BCR (Benefit Cost ratio) of 1:1.6;
Project II, with NPV of US \$ 500,000;
Project III, with IRR (Internal rate of return) of 15%
Project IV, with opportunity cost of US \$ 500,000.

- A. Project I
- B. Project III
- C. Either project II or IV
- D. Can not say from the data provided

Answer: B

Explanation: Project III has an IRR of 15%, which means the revenues from the project equal the cost expended at an interest rate of 15%. This is a definitive and a favorable parameter, and hence can be recommended for selection.

Project I have an unfavorable BCR and hence cannot be recommended.

Information provided on projects II and IV is not definitive, and hence neither of projects II and IV qualifies for a positive recommendation.

123. **What the project manager to ensure that all work in the project is included should do?**

- A. Create a contingency plan
- B. Create a risk management plan
- C. Create a WBS
- D. Create a scope statement

Answer: C

Explanation: A WBS is a deliverable oriented grouping of project components that organizes and defines the total scope of the project.

124. **What kind of a relationship is implied when completion of a successor is dependent on initiation of its predecessor?**

- A. finish-to-start (FS)
- B. finish-to-finish (FF)

- C. start-to-start (SS)
- D. start-to-finish (SF)

Answer: D

Explanation: A start-to-finish (SF) relationship between two activities implies that the completion of successor is dependent on the initiation of its predecessor.

A finish-to-start (FS) relationship between two activities implies that the initiation of successor is dependent on the completion of predecessor.

A finish-to-finish (FF) relationship between two activities implies that the completion of successor is dependent on the completion of predecessor.

A start-to-start (SS) relationship implies that the initiation of successor is dependent on the initiation of predecessor..

125. **What should a project manager do or follow to ensure clear boundaries for project completion?**

- A. Scope verification
- B. Complete a scope statement
- C. Scope definition
- D. Risk management plan

Answer: B

Explanation: The project team must complete a scope statement for developing a common understanding of the project scope among stakeholders. This lists project deliverables - summary level sub-products, whose full and satisfactory delivery marks the completion of the project.

Scope verification is the process of securing a formal acceptance of the project scope by stakeholders.

Scope definition is the process of subdividing the major project deliverables into smaller, more manageable components.

A risk management plan involves setting up processes for identifying and dealing with project risks.

126. **An organization is certified to a stringent environmental standard and uses that as the key differentiator with its competitors. Alternative identification during scope planning for a particular project has thrown up an expeditious approach to achieve a project need, but this involves a risk of environmental contamination. The team evaluates that the likelihood of the risk is very low. What should the project team do?**

- A. Drop the alternative approach
- B. Work out a mitigation plan
- C. Procure an insurance against the risk

D. Plan all precautions to avoid the risk

Answer: A

Explanation: The organization's reputation being at stake, the threshold for such a risk would be very low.

Mitigation plan against an environmental contamination would mean reducing the impact, which may not be a plausible response.

Procuring an insurance against the risk would only transfer the monetary impact of the risk, and not the intangible impact like, the reputation of the organization.

Planning precautions against the occurrence would still leave an opportunity of occurrence.

This cannot be completely avoided.

The best option would be to drop the approach - that is, complete avoidance of the risk.

127. **The following three tasks form the entire critical path of the project network. The three estimates of each of these tasks are tabulated below. How long would the project take to complete expressed with an accuracy of one standard deviation?**

Task	Optimistic	Most likely	Pessimistic
A	15	25	47
B	12	22	35
C	16	27	32

- A. 75.5
- B. 75.5 +/- 5.08
- C. 75.5 +/- 8.5
- D. 75.5 +/- 2.83

Answer: B

Explanation: The critical path is the longest duration path through a network and determines the shortest time to complete the project. The PERT estimates of the tasks listed are 27, 22.5 & 26. Therefore, the length of the critical path of the project is $27+22.5+26 = 75.5$.

The standard deviations of the estimates of the three tasks are determined as $(P-O)/6 = 2, 3.83 \text{ \& } 2.67$ respectively. The standard deviation of the total path is

determined as Sq. root (sum of variances), where variance = square of standard deviation. Thus, standard deviation of critical path = Sq. root (4+14.67+7.13) = 5.08.

128. **After a study of the work processes on a project, a quality audit team reports to the project manager that irrelevant quality standards were being used by the project, which might lead to rework. What was the objective of the project manager in initiating this study?**
- A. Quality control
 - B. Quality planning
 - C. Checking adherence to processes
 - D. Quality assurance

Answer: D

Explanation: Determining validity of quality standards, followed by the project is a 'quality assurance' activity.

Compliance of work results to required specifications is a 'quality control' activity.

Determining quality standards is a 'quality planning' activity.

'Checking adherence to processes' is a quality audit activity to ensure that standard operating procedures or job instruction documents (SOPs or JIDs) are being followed for producing the deliverables of the process.

129. **Which of the following provides the foundation for team development?**
- A. Motivation
 - B. Organizational development
 - C. Conflict Management
 - D. Individual Development

Answer: D

Explanation: Individual development (managerial and technical) is the foundation of a team.

130. **Which of the following is NOT an input to project plan execution?**
- A. Work authorization system
 - B. Project plan
 - C. Corrective action
 - D. Preventive action

Answer: A

Explanation: A Project plan is the basis of project plan execution and is a primary input.

Work authorization system is a tool used for orchestrating execution of various project tasks.

Whereas, Corrective and Preventive actions are inputs to the project plan execution process from various controlling processes.

131. **A project manager would find team development the most difficult in which form of organization?**
- A. Weak Matrix organization
 - B. Balanced Matrix organization
 - C. Projectized organization
 - D. Tight Matrix organization

Answer: A

Explanation: In a functional organization, the project team members have dual reporting to two bosses - the project manager and the functional manager.

In a weak matrix organization, the power rests with the functional manager.

In a balanced matrix organization, the power is shared between the functional manager and the project manager. A projectized organization is grouped by projects and the project manager has complete control on the project and its team.

A Tight matrix organization refers to co-locating the project team and has nothing to do with a matrix organization.

Therefore, a project manager would find it difficult to drive team **development** in a weak matrix organization.

132. **The project manager of a large multi-location software project team has 24 members, out of which 5 are assigned to testing. Due to recent recommendations by an organizational quality audit team, the project manager is convinced to add a quality professional to lead the test team at additional cost, to the project.**

The project manager is aware of the importance of communication, for the success of the project and takes this step of introducing additional communication channels, making it more complex, in order to assure quality levels of the project.

How many additional communication channels are introduced as a result of this organizational change in the project?

- A. 25

- B. 24
- C. 1
- D. 5

Answer: A

Explanation: Number of communication channels with "n" members = $n*(n-1)/2$

Originally the project has 25 members (including the project manager), which makes the total communication channels as $25*24/2 = 300$.

With the addition of the quality professional as a member of the project team, the communication channels increase to $26*25/2 = 325$.

Therefore, the additional channels as a result of the change, that is, $325-300 = 25$.

133. **Once the project is complete, the complete set of project records should be put in which of the following?**
- A. Project Archives
 - B. Database
 - C. Storage room
 - D. Project Report

Answer: A

Explanation: Project records should be prepared for archiving by the appropriate parties.

134. **Which of the following is a common format for performance reporting?**
- A. Pareto Diagrams
 - B. Bar charts
 - C. Responsibility Assignment Matrices
 - D. Control Charts

Answer: B

Explanation: Common formats for Performance Reports are, bar charts (also called Gantt Charts), S-curves, histograms and tables etc.

135. **If the cost variance is positive and the schedule variance is also positive, this indicates the:**
- A. Project is under budget and behind schedule
 - B. Project is over budget and behind schedule
 - C. Project is under budget and ahead of schedule
 - D. Project is over budget and ahead of schedule

Answer: A

Explanation: Positive Schedule Variance means the project is ahead of schedule; Negative Cost Variance means the project is over-budget.

136. **During execution of a project, an identified risk event occurs that results in additional cost and time. The project had provisions for contingency and management reserves. How should these be accounted for?**

- A. Contingency reserves
- B. Residual risks
- C. Management reserves
- D. Secondary risks

Answer: A

Explanation: The question is about correct accounting for risk events that occur and updating the reserves.

Reserves are meant for making provisions in cost and schedule, to accommodate for consequences of risk events.

Risk events are classified as "unknown unknowns" or "known unknowns", where "unknown unknowns" are risks that were not identified and accounted for, while "known unknowns" are risks that were identified and provisions were made for them.

Provisions for "unknown unknowns" are in management reserves while those for "known unknowns" are accommodated in contingency reserves. Management reserves are at the discretion of senior management while the contingency reserves are at the project manager's discretion.

Residual and secondary risks are remaining unmitigated risks and resultant [risks](#) of mitigation, respectively. These are not reserves.

In this case, the risk event is one of the identified risks and therefore, 'contingency reserve' is the one where the cost and schedule impact would be accommodated in.

137. **Which one of the following is the last step of project closing?**

- A. Client has accepted the product
- B. Archives are complete
- C. Client appreciates your product
- D. Lessons learnt are documented

Answer: B

Explanation: Archiving is the last step in the project closing.

138. **Who should be involved in the creation of lessons learned, at closure of a project?**

- A. Stakeholders
- B. Project team
- C. Management of the performing organization
- D. Project office

Answer: A

Explanation: 'Stakeholders' include everyone who are actively involved in the project or whose interests may be affected as a result of the project execution or completion.

The 'project team' creates the lessons learned on the project.

The role of the 'project office' depends on the function defined for it within the performing organization and it could be either facilitating **best practices** for all projects or could constitute the project team.

As lessons learned should capture all variations and what could have been done better for future deployment, 'stakeholders' should be involved in creation of lessons learned.

139. An organization has recently started outsourcing work to a low cost, high value, engineering center located in a different country.

Which of the following should the project manager provide for the team as a proactive measure?

- A. A training course on the laws of the country
- B. A course on linguistic differences
- C. An exposure to the cultural differences
- D. A communication management plan

Answer: C

Explanation: Understanding cultural differences is the first step towards an effective communication amongst the project team involving outsourced work from a different country. So, what is needed in this case is 'an exposure to the cultural differences', which is being mentioned as choice C.

Choice A, that is, 'a training course on the laws of the country' is a subject of legal experts and not of the project team.

Choice B, that is, 'a course on linguistic differences' would not serve the purpose of understanding and appreciating cultural differences, for better teaming.

Choice D, that is, 'a communication management plan' is a document that provides data gathering and dissemination amongst stakeholders of the project. It is necessary for the project but does not help in bridging communication gaps across different cultures

140. While reviewing the progress, the project manager assesses that an activity has been missed out from the implementation plan. A milestone, scheduled to be achieved within another week, would be missed with the current implementation plan.

Which of the following is the next best action for the project manager in this situation?

- A. Report the error and the expected delay
- B. Omit the status update on the milestone
- C. Report the error and the planned **recovery** actions
- D. Assess alternatives to meet the milestone

Answer: D

Explanation: Choice D, that is, 'assess alternatives to meet the milestone' indicates confronting the issue with an attempt to resolve the issue. Hence this would be the best approach.

Choices A and C, that is, 'report the error and the expected delay' or 'report the error and the planned recovery actions' do not attempt to solve the problem.

An attempt to solve the problem is the next best thing to do in this situation, before reporting the issue correctly.

Choice B, that is, 'omit the status update on the milestone' is unethical.

141. Which of the following is the logical flow of any project?

- A. Planning, Initiating, Executing, Controlling, Closing
- B. Initiating, Planning, Controlling, Executing, Closing
- C. Planning, Initiating, Executing, Controlling, Closing
- D. Initiating, Planning, Executing, Controlling, Closing

Answer: D

142. In which phase of a project would you estimate activity duration and resources?

- A. Initiating
- B. Executing
- C. Planning
- D. Controlling

Answer: C

143. Which of the following according to the PMBOK is described as, “a category or rank given to entities having the same functional use but different technical characteristics?”
- A. Grade
 - B. Quality
 - C. Flow design
 - D. Benchmark

Answer: A

144. Which of the following is another name for an Ishikawa diagram?
- A. Cause and Effect Diagram
 - B. Bell Curve
 - C. Pareto Diagram
 - D. Trend Analysis

Answer: A

145. Refinements are considered updates for the ____.
- A. GERT
 - B. ADM
 - C. WBS
 - D. CQM

Answer: C

146. The acronym CPPC stands for?
- A. Cost Plus Percentage of Control
 - B. Cost Plus Percentage of Contract
 - C. Cost Plus Percentage of Cost
 - D. Cost Plus Plus Cost

Answer: A

147. Which of the following is not considered part of Maslow’s Hierarchy of Needs?
- A. Social needs
 - B. Safety
 - C. Motivation
 - D. Self-actualization

Answer: C

148. Parento diagrams work on the ____ rule.
- A. 50/50
 - B. 60/40
 - C. 80/20
 - D. 90/10

Answer: C

149. **Which of the following is a key aspect of quality control?**
- A. Limited in scope
 - B. Minimal planning resources
 - C. Generic cost controls
 - D. Project wide focus

Answer: D

150. **The creator of the project charter is identified as the _____.**
- A. Project manager
 - B. Outside senior manager
 - C. Internal control expert
 - D. Quality control expert

Answer: B

151. **You are managing the release of a new drug in the market. Your role is that of a:**
- A. Functional Manager, because you have good understanding functional knowledge of the pharmaceutical industry
 - B. **Project Manager**, because you are creating a unique product within specific time schedules
 - C. Operations Manager, because you have to do several repetitive tasks
 - D. **Program Manager**, because you have to manage several sub-projects to effectively do your job

Answer: B

Explanation: Projects involve doing something that has not been done before and which is, therefore, unique. A product or service may be unique even if the category to which it belongs is large....

A project to bring a new drug to market may require thousands of doses of the drug to support clinical trials

152. **Which of the following is not the feature of a project?**
- A. Constrained by limited resources
 - B. Planned, executed and controlled
 - C. Creates unique product or service
 - D. May be ongoing and repetitive

Answer: D

Explanation: **Operations** and projects differ primarily in that operations are ongoing and repetitive while projects are temporary and unique. A project can thus be defined in terms of its distinctive characteristics - a project is a temporary endeavor undertaken to create a unique product or service

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A project to bring a new drug to market may require thousands of doses of the drug to support clinical trials.

154. **Which of the following statement related to Standards and Regulations is not correct?**
- A. Standard is a document approved by a recognized body - there can be multiple standards for one product.
 - B. Regulations are mandatory but Standards are not mandatory.
 - C. Standards after widespread adoption may become de facto regulations.
 - D. The influence of standards and regulations for a project is always known

Answer: D

Explanation: For many projects, standards and regulations (by whatever definition) are well known and project plans can reflect their effects. In other cases, the influence is unknown or uncertain and must be considered under Project Risk Management

155. **Your IT company is responsible for making software **virus** programs. You are responsible for managing both the individual product releases and the co-ordination of multiple releases over time. Your role is that of a:**
- A. Program Manager
 - B. Project Manager
 - C. Functional Manager
 - D. Operations Manager

Answer: A

Explanation: A program is a group of projects managed in a co-ordinated way to obtain benefits which are not available from managing them individually. Many programs also involve elements of ongoing operations.

156. **A Project Manager must have good understanding of the mechanics of power and politics to be effective. As defined by Pfeffer, power includes all the following except:**
- A. The Potential to influence behavior
 - B. Potential to change the course of events and overcome resistance
 - C. Ability to get people to do things that they would not otherwise do
 - D. Ability to handle power struggles and organizational games

Answer: D

Explanation: Pfeffer defines power as "the potential ability to influence behavior, to change the course of events, to overcome resistance, and to get people to do things that they would not otherwise do."...The negative sense, of course derives from the fact that attempts to reconcile these interests result in power struggles and organizational games that can sometimes take on a thoroughly unproductive life of their own.

157. **Which of the following statement related to Standards and Regulations is not correct?**
- A. Standard is a document approved by a recognized body - there can be multiple standards for one product.
 - B. Regulations are mandatory but Standards are not mandatory.
 - C. Standards after widespread adoption may become de facto regulations.
 - D. The influence of standards and regulations for a project is always known

Answer: D

Explanation: For many projects, standards and regulations (by whatever definition) are well known and project plans can reflect their effects. In other cases, the influence is unknown or uncertain and must be considered under Project Risk Management.

158. **A Project Manager must have good understanding of the mechanics of power and politics to be effective. As defined by Pfeffer, power includes all the following except:**
- A. The Potential to influence behavior
 - B. Potential to change the course of events and overcome resistance
 - C. Ability to get people to do things that they would not otherwise do
 - D. Ability to handle power struggles and organizational games

Answer: D

Explanation: Pfeffer defines power as "the potential ability to influence behavior, to change the course of events, to overcome resistance, and to get people to do things that they would not otherwise do."...The negative sense, of course derives from the fact that attempts to reconcile these interests result in power struggles and organizational games that can sometimes take on a thoroughly unproductive life of their own.

159. **Phase end review of projects is also referred to as:**

- A. Phase Exits
- B. Kill Points
- C. Stage Gates
- D. All the above

Answer: D

Explanation: The conclusion of a project phase is generally marked by a review of both key deliverables and project **performance** to date, to a) determine if the project should continue into its next phase and b) detect and correct errors cost effectively. These phase-end reviews are after called phase exits, stage gates or kill points

160. **You are working in the Project Office of your organization. What is your job responsibility?**

- A. Managing the different activities of a project
- B. Always being responsible for the results of the project
- C. Providing support functions to Project Managers in the form of training, **software**, templates etc.
- D. Providing Subject Matter Expertise in the Functional areas of the project

answer: C

Explanation: Project Office: There is a range of uses for what constitutes a project office. A project office may operate on a continuum from providing support functions to project managers in the form of training, templates, etc. to actually being responsible for the results of the project